



4191-02U

SOCIAL SECURITY ADMINISTRATION

[Docket No. SSA 2017-0066]

Penalty Inflation Adjustments for Civil Monetary Penalties

AGENCY: Social Security Administration.

ACTION: Notice announcing updated penalty inflation adjustments for civil monetary penalties for 2018.

SUMMARY: The Social Security Administration is giving notice of its updated maximum civil monetary penalties. These amounts are effective from January 15, 2018 through January 14, 2019. These figures represent an annual adjustment for inflation. The updated figures and notification are required by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

DATES: The updated maximum amount of civil money penalties in this notice are applicable to penalties assessed on or after January 15, 2018.

FOR FURTHER INFORMATION CONTACT: Joseph E. Gangloff, Chief Counsel to the Inspector General, Room 3-ME-1, 6401 Security Boulevard, Baltimore, MD 21235-6401, (410) 966-4440, both directly and for IPTTY. For information on eligibility or filing for benefits, call the Social Security Administration's national toll-free number, 1-

800-772-1213 or TTY 1-800-325-0778, or visit the Social Security Administration's Internet site, Social Security Online, at <http://www.socialsecurity.gov>.

SUPPLEMENTARY INFORMATION: On June 27, 2016, pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the 2015 Act),¹ we published an interim final rule to adjust the level of civil monetary penalties (CMP) under sections 1129 and 1140 of the Social Security Act, 42 U.S.C. 1320a-8 and 1320b-10, with an initial “catch-up” adjustment effective August 1, 2016.² We announced in the interim final rule that for any future adjustments, we will publish a notice in the Federal Register to announce the new amounts. The annual inflation adjustment in subsequent years must be a cost-of-living adjustment based on any increases in the October Consumer Price Index for All Urban Consumers (CPI-U) (not seasonally adjusted) each year.³ Inflation adjustment increases must be rounded to the nearest multiple of \$1.⁴ We last updated the maximum penalty amounts effective January 15, 2017.⁵ Based on Office of Management and Budget (OMB) guidance, the information below serves as public

¹ See <https://www.congress.gov/bill/114th-congress/house-bill/1314/text>. See also <https://www.federalregister.gov/documents/2016/06/27/2016-13241/penalty-inflation-adjustments-for-civil-money-penalties>.

² <https://www.federalregister.gov/documents/2016/06/27/2016-13241/penalty-inflation-adjustments-for-civil-money-penalties>.

³ See OMB Memorandum, Implementation of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, M-16-06, p. 1 (February 24, 2016), <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2016/m-16-06.pdf>. See also <https://www.federalregister.gov/documents/2016/06/27/2016-13241/penalty-inflation-adjustments-for-civil-money-penalties>.

⁴ OMB Memorandum, Implementation of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, M-16-06, p. 3 (February 24, 2016), <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2016/m-16-06.pdf>. See also <https://www.federalregister.gov/documents/2016/06/27/2016-13241/penalty-inflation-adjustments-for-civil-money-penalties>,

⁵ See <https://www.federalregister.gov/documents/2016/12/29/2016-31423/notice-on-penalty-inflation-adjustments-for-civil-monetary-penalties>.

notice of the new maximum penalty amounts for 2018. The adjustment results in the following new maximum penalties, which will be effective as of January 15, 2018.

Section 1129 CMPs (42 U.S.C. 1320a-8):

\$7,623.00 (current maximum per violation for fraud facilitators in a position of trust) x 1.02041 (OMB-issued inflationary adjustment multiplier) = \$7,778.59.

When rounded to the nearest dollar, the new maximum penalty is \$7,779.00.

\$8,084.00 (current maximum per violation for all other violators) x 1.02041 (OMB-issued inflationary adjustment multiplier) = \$8,248.99. When rounded to the nearest dollar, the new maximum penalty is \$8,249.00.

Section 1140 CMPs (42 U.S.C. 1320b-10):

\$10,055.00 (current maximum per violation for all violations other than broadcasts or telecasts) x 1.02041 (OMB-issued inflationary adjustment multiplier) = \$10,260.22. When rounded to the nearest dollar, the new maximum penalty is \$10,260.00.

\$50,276.00 (current maximum per broadcast or telecast) x 1.02041 (OMB-issued inflationary adjustment multiplier) = \$51,302.13. When rounded to the nearest dollar, the new maximum penalty is \$51,302.00.

Dated: December 27, 2017.

Gale Stallworth Stone,
Acting Inspector General of Social Security.

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